


MEMORANDUM

Date: July 9, 2002
To: Evelyn
Fr: Carl 
Re: BCIS Best and Final

The RFP on our project was separated into two (2) parts, Part I for replacement of our current system and Part II for the migration of 10 years of images. The successful bidder on Part II was Title Guaranty with a bid of \$400,000. The Lange Group won the rights to develop and implement the new system. In meeting with both vendors, it was evident the hardware to be provided under Part I would not be capable of holding all the information intended to be migrated to the new system, i.e. 10 years of images and current information on the ICSD main frame (Wang and Unisys). We asked The Lange Group to provide information as to necessary hardware to accommodate the enormous amount of information being migrated to the new system.

Attached are the following documents showing how the disbursements were determined in awarding the contract:

- A. Best and Final paperwork submitted on November 15, 1999 that reflects the cost of the project.
- | | |
|-----------|----------------------|
| Hardware: | \$ 669,179.84 |
| Labor: | <u>\$ 935,344.22</u> |
| TOTAL: | \$1,604,524.06 |
- B. December 14, 1999 letter from The Lange Group acknowledging payments would be done incrementally pursuant to the RFP. The project is being paid by special funds and collections could not cover the entire project at time of acceptance.
- C. December 23, 2002 letter from The Lange Group regarding additional hardware requirements to satisfy migration of 10 years of images from Part II bidder, Title Guaranty. To accommodate increased capacity

requirements, Task 3 and Task 4 hardware specs were changed. Based on these changes, the cost of the project was increased by \$170,038.42. The attachments to this letter reflect the changes to Task 3 and Task 4 hardware requirements.

Task	November 15, 1999	December 23, 1999	Difference
3	\$190,171.04	\$326,223.28	+ \$136,052.24
4	\$251,048.26	\$285,034.44	+ \$ 33,986.18

Ms. Lindsey's reference to a net increase of \$132,305.37 is based on including the acquisition of the optional Redundant Node Hardware for \$93,622.52. Had we opted to purchase the optional node, the net increase would have been the figure she presented. Please note the price had dropped some \$4000 from November to December. Based on her letter and cost estimates, the final figure agreed to was \$1,774,562.48.

Hardware: \$ 839,218.26
Labor: \$ 935,344.22

TOTAL: \$1,774,562.48

- D. Payment schedule worked out with The Lange Group in increments tied into work that was to be completed and hardware delivered. Encumbering funds in this manner was necessary to ensure sufficient revenues were realized by our special fund. The contract was to be paid in three phases.

"A" Covered the completion of Tasks 1, 2, 4, 5 & 82% of Task 3.

"B" Covered the completion of Tasks 6, 7, 10 & 13% of Task 3.

"C" Covered the completion of Tasks 8, 9, 11 & 5% of Task 3.

"D" Represents post-implementation costs not covered by the contract. It is for our information to know estimated future costs of R&M. The general rule of thumb is payment prior to the coverage period. This would be no different like all other maintenance and protection programs, i.e. Sears, GE, where payment is made up front. Insurance premiums also are also paid in advance.

I hope this resolves the concerns being raised. Should additional information be required, please ask the requesting party to submit a written inquiry so we can ensure all questions are answered.

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